

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA

In re TERA YON COMMUNICATION
SYSTEMS, INC. SECURITIES LITIGATION)

Master File No. C-00-1967-MHP

CLASS ACTION

This Document Relates to:

ALL ACTIONS.

**FINAL JUDGMENT AND ORDER
OF DISMISSAL WITH PREJUDICE**

1 This matter came before the Court for hearing pursuant to an Order of this Court, filed July
2 25, 2006, on the application of the Settling Parties for approval of the settlement set forth in the
3 Stipulation of Settlement dated as of March 17, 2006 (the "Stipulation"). Due and adequate notice
4 having been given of the settlement as required in said Order, and the Court having considered all
5 papers filed and proceedings held herein and otherwise being fully informed in the premises and
6 good cause appearing therefore, IT IS HEREBY ORDERED, ADJUDGED AND DECREED that:

7 1. This Judgment incorporates by reference the definitions in the Stipulation, and all
8 terms used herein shall have the same meanings set forth in the Stipulation.

9 2. This Court has jurisdiction over the subject matter of the Litigation and over all
10 parties to the Litigation, including all Members of the Class.

11 3. Except as to any individual claim of those Persons (identified in Exhibit 1 attached
12 hereto) who have validly and timely requested exclusion from the Class, the Litigation and all claims
13 contained therein, including all of the Released Claims, are dismissed with prejudice as to the Lead
14 Plaintiffs and the other Members of the Class, and as against each and all of the Released Persons.
15 The parties are to bear their own costs, except as otherwise provided in the Stipulation.

16 4. Pursuant to Rule 23 of the Federal Rules of Civil Procedure, this Court hereby
17 approves the settlement set forth in the Stipulation and finds that said settlement is, in all respects,
18 fair, reasonable and adequate to, and is in the best interests of, the Lead Plaintiffs, the Class and each
19 of the Class Members. This Court further finds the settlement set forth in the Stipulation is the result
20 of arm's-length negotiations between experienced counsel representing the interests of the Lead
21 Plaintiffs, the Class Members and the Defendants. Accordingly, the settlement embodied in the
22 Stipulation is hereby approved in all respects and shall be consummated in accordance with its terms
23 and provisions. The Settling Parties are hereby directed to perform the terms of the Stipulation.

24 5. Upon the Effective Date, the Lead Plaintiffs and each of the Class Members shall be
25 deemed to have, and by operation of the Judgment shall have, fully, finally, and forever released,
26 relinquished and discharged all Released Claims against the Released Persons, whether or not such
27 Class Member executes and delivers a Proof of Claim and Release form.

1 6. All Class Members are hereby forever barred and enjoined from prosecuting the
2 Released Claims against the Released Persons.

3 7. Upon the Effective Date hereof, each of the Released Persons shall be deemed to
4 have, and by operation of this Judgment shall have, fully, finally, and forever released, relinquished
5 and discharged each and all of the Class Members and Co-Lead Counsel from all claims (including
6 Unknown Claims), arising out of, relating to, or in connection with the institution, prosecution,
7 assertion, settlement or resolution of the Litigation or the Released Claims.

8 8. The distribution of the Notice of Proposed Settlement of Class Action and the
9 publication of the Summary Notice as provided for in the Order Preliminarily Approving Settlement
10 and Providing for Notice constituted the best notice practicable under the circumstances, including
11 individual notice to all Members of the Class who could be identified through reasonable effort.
12 Said Notice provided the best notice practicable under the circumstances of those proceedings and of
13 the matters set forth therein, including the proposed settlement set forth in the Stipulation, to all
14 Persons entitled to such notice, and said Notice fully satisfied the requirements of Federal Rule of
15 Civil Procedure 23, the requirements of due process, and any other applicable law.

16 9. Any plan of allocation submitted by Co-Lead Counsel or any order entered regarding
17 the attorneys' fee and expense application shall in no way disturb or affect this Final Judgment and
18 shall be considered separate from this Final Judgment.

19 10. Neither the Stipulation nor the settlement contained therein, nor any act performed or
20 document executed pursuant to or in furtherance of the Stipulation or the settlement: (a) is or may be
21 deemed to be or may be used as an admission of, or evidence of, the validity of any Released Claim,
22 or of any wrongdoing or liability of the Defendants; or (b) is or may be deemed to be or may be used
23 as an admission of, or evidence of, any fault or omission of any of the Defendants in any civil,
24 criminal or administrative proceeding in any court, administrative agency or other tribunal.
25 Defendants may file the Stipulation and/or the Judgment in any other action that may be brought
26 against them in order to support a defense or counterclaim based on principles of *res judicata*,
27 collateral estoppel, release, good faith settlement, judgment bar or reduction or any other theory of
28 claim preclusion or issue preclusion or similar defense or counterclaim.

11. Without affecting the finality of this Judgment in any way, this Court hereby retains continuing jurisdiction over (a) implementation of this settlement and any award or distribution of the Settlement Fund, including interest earned thereon; (b) disposition of the Settlement Fund; (c) hearing and determining applications for attorneys' fees and expenses in the Litigation; and (d) all parties hereto for the purpose of construing, enforcing and administering the Litigation or the Stipulation.

12. The Court finds that during the course of the Litigation, the Settling Parties and their respective counsel at all times complied with the requirements of Federal Rule of Civil Procedure 11.

13. In the event that the settlement does not become effective in accordance with the terms of the Stipulation or the Effective Date does not occur, or in the event that the Settlement Fund, or any portion thereof, is returned to the Defendants, then this Judgment shall be rendered null and void to the extent provided by and in accordance with the Stipulation and shall be vacated and, in such event, all orders entered and releases delivered in connection herewith shall be null and void to the extent provided by and in accordance with the Stipulation.

DATED: September 28, 2007


THE HONORABLE MARILYN H. PATEL
UNITED STATES DISTRICT JUDGE

Submitted by:

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[PROPOSED] FINAL JUDGMENT AND ORDER OF DISMISSAL WITH
PREJUDICE - C-00-1967-MHP

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PREJUDICE - C-00-1967-MHP

EXHIBIT 1

9/29/2003

**In Re Terayon Communication Securities Litigation
Opt Out Listing received to date
RG/2 Claims Administration LLC**

Name & Address	Date Received	Date Postmarked
1 Shaw Communications Inc. Suite 900, 630 3 rd Avenue S.W. Clagary, Alberta T2P 4L4 Telephone 403-750-4500 Fax 403-716-6544	May 6, 2003	April 29, 2003
2 Allen L. Schwartz 5135 Lake Bluff West Bloomfield, MI 48334	May 20, 2003	May 16, 2003
3 Jeff Hill 1527 Prosperity Ct. San Jose, CA 95131	May 27, 2003	May 19, 2003
4 Nancy and Joseph Morris 1100 Susquehanna Ave West Pittston, PA 18643	June 3, 2003	May 27, 2003
5 John P. Watt Family Trust c/o John Watt/ Judy Watt, co-Trustees 24 Gerona Dr. Rancho Mirage, CA 92270	June 3, 2003	May 27, 2003
6 Jack Kratas 603 Sooy Lane Absecon, NJ 08201	June 3, 2003	May 29, 2003
7 Robert R. Wagner 13248 S.E. 276 th Street Kent, WA 98042	June 3, 2003	May 30, 2003
8 Greg Heifler 610 Turlington Ct. Livingston, NJ 070	June 12, 2003	June 2, 2003
9 Henry L. Busuttli 1853 Sunbury Street Escondido, CA 92026	June 17, 2003	June 9, 2003
10 Frank Bray 7604 Dornoch Lane Dallas, TX 75248	June 17, 2003	June 9, 2003

Exhibit 1

9/29/2003

	Name & Address	Date Received	Date Postmarked
11	Jefferson D. Pestridge 303 Ridgemont San Antonio, Texas 78209-54250	June 19, 2003	June 3, 2003
12	Lloyd D. Ashford 855 Trosper Road SW #108-120 Tumwater, WA 98512	June 19, 2003	June 10, 2003
13	Marcella Francese Enos 8946 Sunset Ave Fair Oaks, CA 95628	June 19, 2003	June 12, 2003
14	Dona Singlehurst PO Box 546 Walalau, HI 96791	July 8, 2003	June 30, 2003
15	LaVerne D. Garfield 92-1278 Huneakai Street Kapolei, HI 96707-1541	July 8, 2003	June 30, 2003
16	Adolph M. Directo 92-1278 Huneakai Street Kapolei, HI 96707-1541	July 8, 2003	June 30, 2003
17	Christopher C. Sutor/ Keith M. Sutor 1820 Montana Sky Drive Austin, TX 78727-6368	July 8, 2003	July 1, 2003
18	Christopher C. Sutor/ Eileen N. Sutor 1820 Montana Sky Drive Austin, TX 78727-6368	July 8, 2003	July 1, 2003
19	Mrs. Lynn Dongieux 1435 Kimwood Drive Jackson, MS 39211	July 15, 2003	July 9, 2003